

**CITY OF HOUSTON**  
**OFFICE**  
*of*  
**BUSINESS OPPORTUNITY**

**Hire Houston First**  
**Progress Report**  
**July 1, 2014 – June 30, 2015**



**Mayor**  
**Annis D. Parker**

**Director**  
**Carlecia D. Wright**





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## Hire Houston First Program Overview

Mayor Annise Parker developed Hire Houston First (HHF) in an effort to promote economic opportunity for Houston area businesses and to support local job creation. The City of Houston spends billions of dollars to maintain and improve the City’s infrastructure, and provide services for the public. Hire Houston First grants the City the ability to give preference to local companies and local workers, as long as their pricing is competitive.

It is the policy of the City of Houston as defined in the Hire Houston First Ordinance, Chapter 15, Article XI, to use the City’s spending powers in a manner that promotes fiscal responsibility and maximizes the effectiveness of local tax dollars by ensuring that City spending provides expanded business opportunities for home grown businesses.

### To be certified for participation in HHF, businesses must meet at least one of two requirements:

- Be headquartered in the incorporated limits of the City or the 10 local counties; **OR**
- Have 20% or more of the entity's workforce regularly based and have a substantial part of its operations based in the incorporated limits of the City or the 10 local counties: Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, Waller, Austin and San Jacinto.

### Chapter 15, Article XI, permits the City to award to City and local businesses under the following criteria:

Personal Property (Goods)	Services
If the contract value is \$100,000 or greater, then the contract is awarded to a City Business that is within 3% of lowest bid.	If the contract value is \$100,000 or greater, then the contract is awarded to a Local Business that is within 3% of lowest bid.
If the contract value is under \$100,000*, then the contract is awarded to a City Business that is within 5% of the lowest bid.	If the contract value is under \$100,000*, then the contract is awarded to a Local Business that is within 5% of the lowest bid.
*For Purchases under \$50,000.00: "the city shall, subject to the requirements of section 15-181, select vendors and services providers with a principal place of business in the local area, provided that any such vendor's bid is no more than five percent greater than the lowest bid, in the event the lowest bid is from one other than a city business or a local business. "	

Note: 1. According to Texas Government Code, Chapter 2254.004, architectural, engineering, and land surveying professional services contracts must be chosen on “demonstrated competence and qualifications to perform the services; and for a fair and reasonable price”.

2. The program does not apply to any contract in which the federal government participates in the form of a grant or loan, or the city acts as a conduit for federal money. (Code of Ordinances, Sec. 15-181.)

3. In accordance with Local Government Code § 271.9051, this program does not apply to the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. Section 153.



## City and Local Business Criteria

A. **City Business (CB)** means a business with a principal place of business within city limits.

B. **Local Area** means Houston-Sugar Land-Baytown metropolitan statistical area, as defined by the Office of Management and Budget within the Executive Office of the President of the United States and includes the ten counties in and surrounding City limits: Harris, Fort Bend, Montgomery, Brazoria, Galveston, Chambers, Waller, Liberty, Austin and San Jacinto.



C. **Local Business (LB)** means a business with a principal place of business in the local area.

D. **Principal Place of Business** means the business must be headquartered or have an established place or places of business in the incorporated limits of the city or the local area as applicable, from which 20% or more of the entity's workforce are regularly based, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed as a principal place of business.

E. **Headquartered** means the location where an entity's leadership directs, controls, and coordinates the entity's activities.

## Hire Houston First Application Process

Businesses interested in becoming eligible to participate in the Hire Houston First program must complete the Hire Houston First Application and Affidavit. Only businesses that meet the requirements of the Ordinance are eligible to be designated as a Hire Houston First company. Processing is completed at no charge.

To learn more, contact the Office of Business Opportunity (OBO) at 832-393-0600 for details and information. You may also visit the website at <http://www.houstontx.gov/obo>





**Total Amount Awarded\***

The Hire Houston First (HHF) program was initiated on October 1, 2011. In fiscal year 2015, the City awarded \$486,021,908 to registered Hire Houston First firms from a total value of \$1,013,764,907 HHF eligible contracts and purchase orders awarded between July 2014 and June 2015. Therefore, participation of HHF firms for City contracts was at 48.8% , while participation in Purchase Orders was at 15.9%, giving a combined participation of 47.9%.

Fiscal Year 2015	HHF Contracts and POs	Total	%
All Contracts	\$481,737,400	\$ 986,747,129	48.8%
Purchase Orders	\$4,284,508	\$ 27,017,778	15.9%
<b>Total</b>	<b>\$486,021,908</b>	<b>\$ 1,013,764,907</b>	<b>47.9%</b>

**Utilization of HHF Firms**

Number of HHF companies utilized	316
Number of total designated companies	1,842
<b>Utilization</b>	<b>17.2%</b>

There were 1,842 designated HHF companies as of June 30, 2015. From this amount a total of 316 HHF companies received either a contract or purchase order during FY2015.

A total of 79 contracts have been awarded to 63 contractors who had never won a contract before receiving their HHF designation.

**Total job supported**

Local Business Employees	4,278
City Business/Local Business Employees	8,302
<b>Total</b>	<b>12,580</b>

The 316 HHF companies that won city contracts during FY2015 employ 12,580 jobs in the Houston and surrounding areas.

**Number of HHF Transactions in FY2015**

HHF Contracts and POs	Total
Number of Prime Contracts	172
Number of Purchase Orders	862
<b>Total</b>	<b>1,034</b>

In FY2015, there were a total of 172 contracts awarded and 862 Purchase Orders issued to HHF companies.

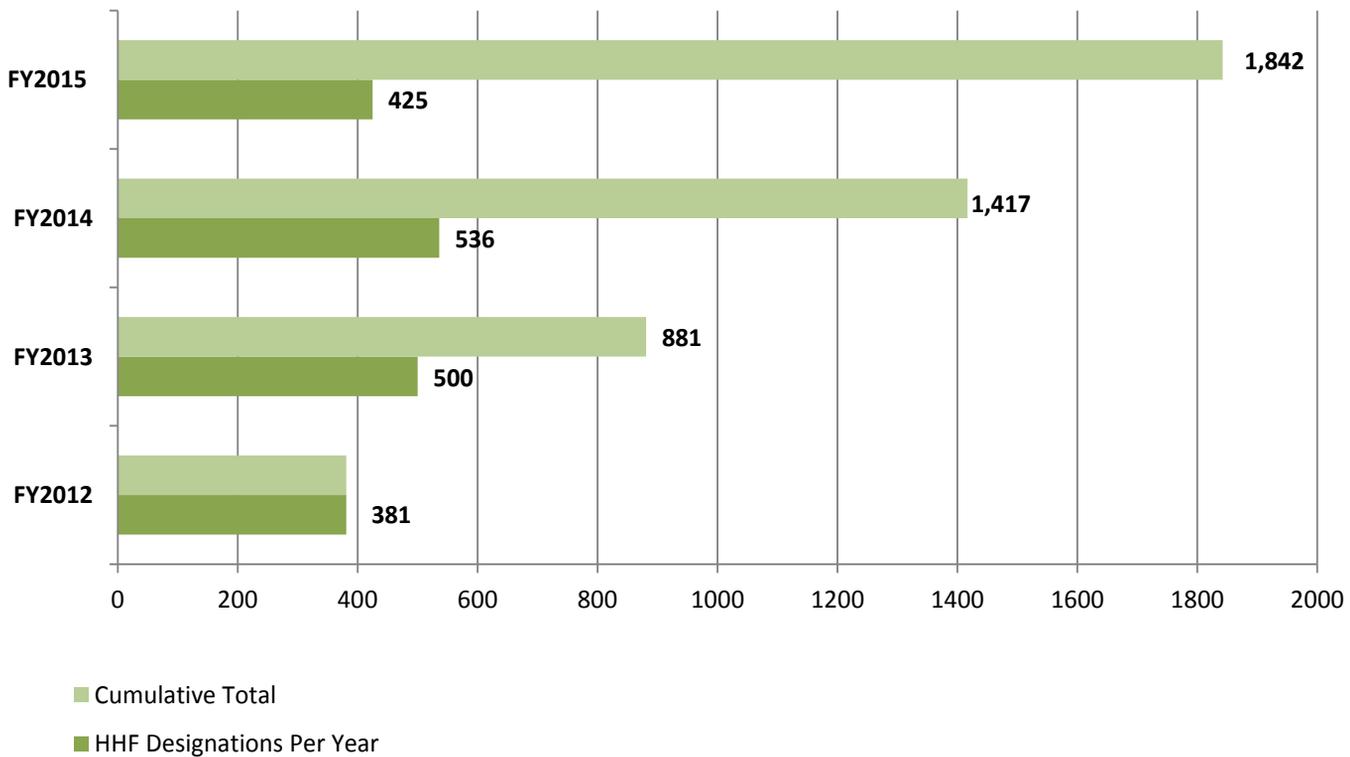




### HHF Approved Applications

By year-end of FY2015, the Office of Business Opportunity had approved 1,842 companies as City Business or Local Business firms.

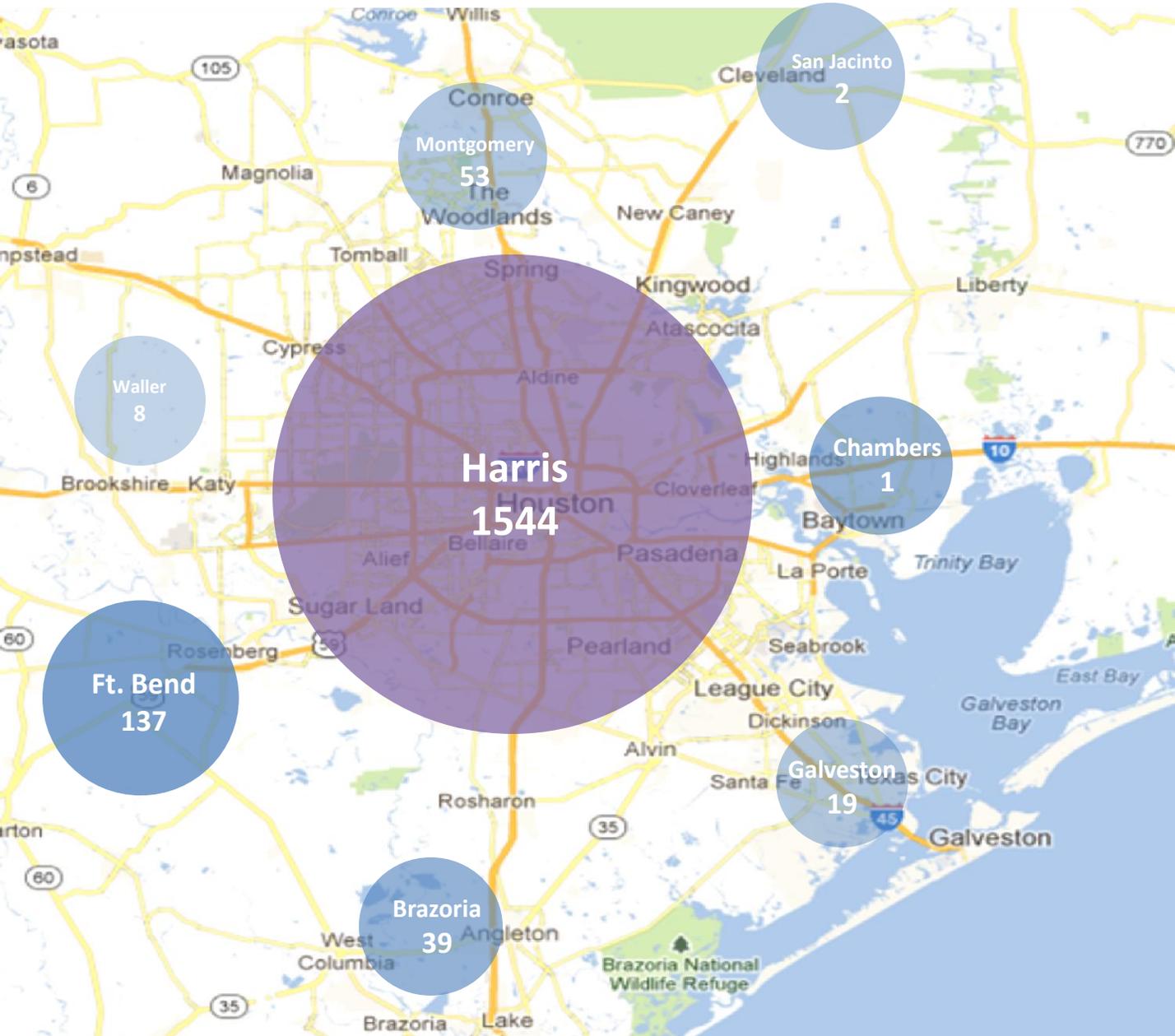
Designations per Year and Cumulative Total





## Approved Applications by Headquarters County\*

Figure 1



\* There are a total of 1,842 active HHF firms as of June 2015. From that amount, 1,803 approved HHF companies were headquartered inside of the 10 counties as represented above. The remaining 39 approved HHF companies are headquartered outside the 10 counties. Per HHF ordinance, HHF companies are also approved if they have an established place(s) of businesses in the incorporated limits of the city or the local area from which 20% or more of their employees are located, and from which a substantial role in the entity's performance of a commercially useful function or a substantial part of its operations is conducted.

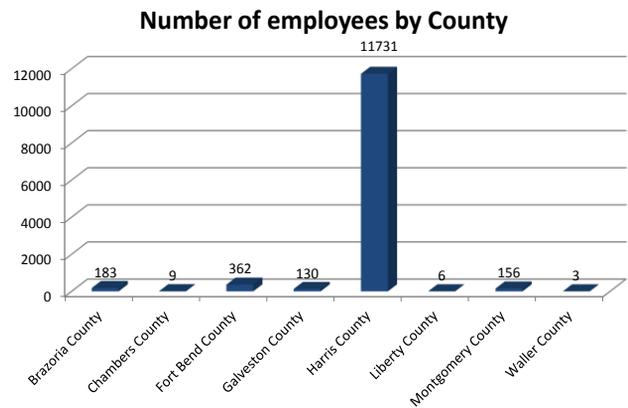




## Local Jobs Supported

Approximately \$485 million in City of Houston contracts awarded to HHF designated companies helped sustain 12,580 local jobs during FY2015. More than 90% of the jobs were for companies in Harris County.

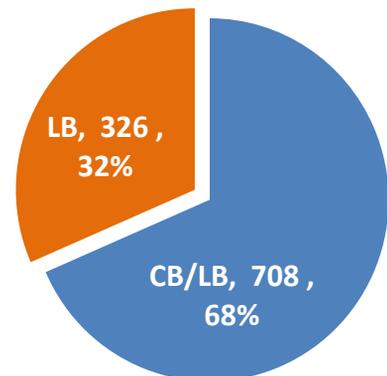
County	Number of employees
Brazoria County	183
Chambers County	9
Fort Bend County	362
Galveston County	130
Harris County	11731
Liberty County	6
Montgomery County	156
Waller County	3
<b>Total</b>	<b>12580</b>



Note: The count of local employees is based off information submitted for the Hire Houston First applications.

## City Business/Local Business Contracts and POs

Designation Type	FY2015	%
CB/LB	708	68%
LB	326	32%
<b>Grand Total</b>	<b>1,034</b>	<b>100%</b>



In FY2015, there were a total of 708 contracts awarded to HHF primes and non-contract POs utilizing HHF vendors with CB/LB designation. There were a total of 326 contracts and non-contract POs awarded to HHF primes and vendors with a LB designation.

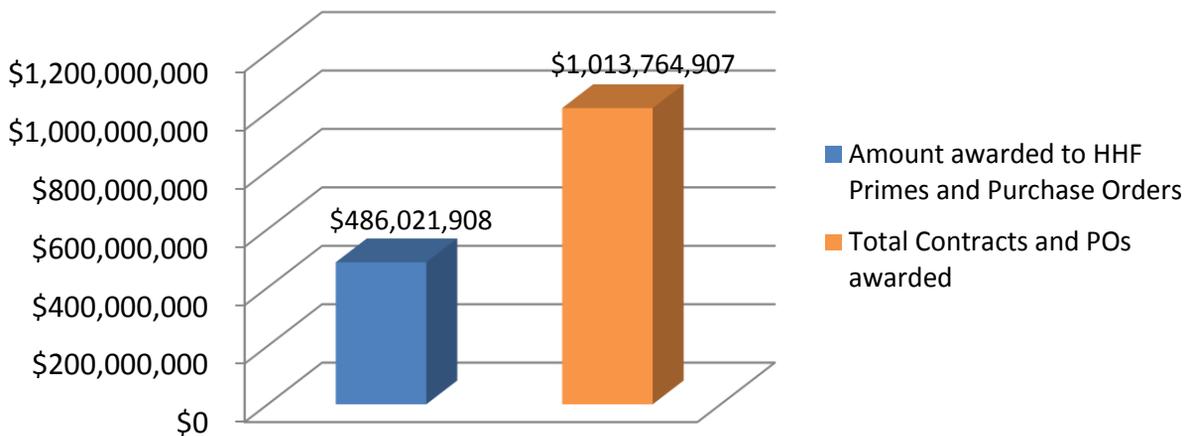




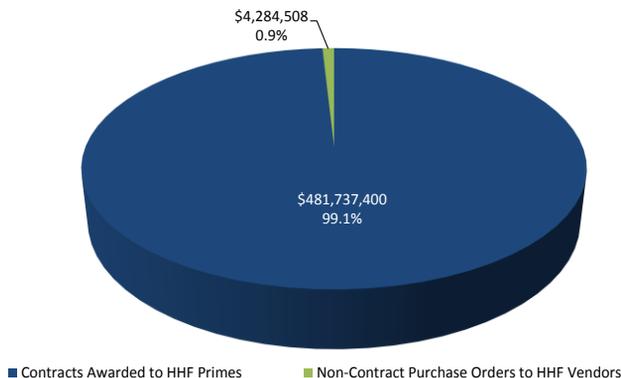
## Dollars Awarded to HHF Companies

In FY2015, a total of \$1,013,764,907 worth of eligible contracts and purchase orders was awarded. From this amount 47.9% or \$486,021,908 was awarded to HHF firms.

### All Contracts and Purchase Orders



### HHF Contracts and Purchase Orders Detail



As demonstrated by the pie chart, in FY2015 contracts awarded to Hire Houston First Primes totaled \$481,737,400, accounting for 99.1% of all HHF awards. Purchase orders to HHF Vendors for the same duration came to \$4,284,508, accounting for 0.9% of the entire total of \$486,021,908.



**Contracts Awarded by Department**

Overall, City of Houston departments awarded contracts and purchase orders worth \$486,021,908 to HHF firms in FY2015.

Dept	FY2015 Total	HHF Preference Contracts
ARA	\$12,590,890	
COH	\$133,595	
CNL	\$32,222	
DON	\$565,575	
FIN	\$3,294	
FMD	\$640,694	
GSD	\$62,038,082	
HAS	\$30,075,429	
HCDD	\$90,265	
HFD	\$89,238	
HHS	\$156,881	
HITS	\$69,850	
HPARD	\$131,044	
HPD	\$202,516	
HPL	\$66,300	
HR	\$2,061,705	
LGL	\$48,713	
MCD	\$24,245	
MYR	\$1,190,199	
PD	\$381,910	
PWE	\$361,155,853	\$15,240,375
SPD	\$13,608,023	
SWMD	\$665,386	
<b>Grand Total</b>	<b>\$486,021,908</b>	<b>\$15,240,375</b>

**Details of contracts specifically awarded to HHF designated vendors**

Dept	Vendor	Contract Title	Amount Awarded
PWE	CAAN Construction Services, Inc.	Willow Waterhole Drainage and Paving. WBS M-001013-0001-4, S-000500-0143-4 and R-000500-0143-4	\$ 6,899,315
PWE	BRH-Garver Construction, L.P.	84-Inch Water Line Interconnection at East Water Purification Plant (EWPP). S-000902-0132-4	\$ 8,341,061
<b>Total</b>			<b>\$ 15,240,375</b>

The Public Works & Engineering Department awarded two contracts to vendors specifically due to their Hire Houston First designation in FY2015. These bids were not the lowest, but were within 3% - 5% of the lowest bids. The first bidder, in each case, was not issued the contract because the vendor did not have a HHF designation.





**Top 50 Highest Dollar Amount Awarded to HHF Primes in FY2015**

<b>HHF Company</b>	<b>No. of Contracts</b>	<b>Amount Awarded in FY2015</b>
Reytec Construction Resources, Inc.	5	\$ 41,509,719
Industrial TX Corporation	9	\$ 41,397,463
Pepper-Lawson Waterworks, LLC	3	\$ 29,399,115
Main Lane Industries, Ltd.	5	\$ 29,173,591
SER Construction Partners LLC	2	\$ 24,993,930
BRH-Garver Construction, L.P.	3	\$ 24,019,514
Angel Brothers Enterprises, Ltd.	2	\$ 17,053,483
BL Technology, Inc.	3	\$ 15,073,617
SpawGlass Civil Construction, Inc.	1	\$ 14,859,696
Teal Construction Company	1	\$ 13,072,022
Huff & Mitchell, Inc.	1	\$ 12,846,780
Horizon International Group, LLC	2	\$ 11,945,950
Total Contracting Limited	1	\$ 11,855,769
Houston Media Source	1	\$ 10,497,799
P2MG, LLC	2	\$ 10,486,116
Jamail & Smith Construction, LP	1	\$ 10,000,000
Times Construction, Inc.	6	\$ 9,980,145
Triple B Services, L.L.P.	1	\$ 9,851,613
Construction LTD	1	\$ 8,785,411
Southern Ionics, Inc.	1	\$ 8,152,772
Comfort Systems USA (South Central)	1	\$ 7,128,396
LEM Construction Company, Inc.	2	\$ 7,075,706
CAAN Construction Services, Inc.	1	\$ 6,899,315
Saber Power Services, LLC	1	\$ 6,708,146
Bartlett Cocke, L.P.	1	\$ 5,117,247
PM Construction	2	\$ 5,054,981
C. F. McDonald Electric, Inc.	1	\$ 4,949,469
JERDON ENTERPRISE, L.P.	3	\$ 4,841,772
THR Enterprises, Inc.	1	\$ 4,294,191
Alsay Incorporated	2	\$ 4,204,675
Traf-Tex, Inc.	1	\$ 3,529,840
CSI Consolidated, LLC fka CleanServe Inc	4	\$ 3,465,572
DCE Construction, Inc.	2	\$ 3,355,452
City Supply Company	1	\$ 3,076,993
PELTIER BROTHERS CONSTRUCTION, LTD.	1	\$ 2,600,380
E. P. Brady, Ltd.	1	\$ 2,541,379
TRAFFIC SYSTEMS CONSTRUCTION, INC.	1	\$ 2,476,282
D. L. Elliott Enterprises, Inc.	1	\$ 2,111,071
Cumulus Fields Inc.	1	\$ 2,030,000
Hahn Equipment Company. Inc.	2	\$ 1,950,465
Omega Engineers, Inc.	1	\$ 1,925,000
Tikon Group, Inc.	2	\$ 1,808,369
Nerie Construction Limited Liability Company	1	\$ 1,804,409
Grava, LLC	1	\$ 1,800,000
P2MG, LLC	1	\$ 1,606,700
Specialized Maintenance Services, Inc.	2	\$ 1,531,196
Chastang Enterprises, Inc.	2	\$ 1,503,745
SER - JOBS FOR PROGRESS OF THE TEXAS GULF COAST, INC.	1	\$ 1,500,000
Advanced Overhead Crane Services	1	\$ 1,430,496
Precision Pneumatics, Inc.	1	\$ 1,418,007





**Top 50 Highest Number of HHF Prime Contracts Awarded in FY2015**

<b>HHF Company</b>	<b>Total</b>
Baseline Paving & Constr. Inc.	10
Industrial TX Corporation	9
Times Construction, Inc.	6
Reytec Construction Resources, Inc.	5
Main Lane Industries, Ltd.	5
Baseline Paving & Construction, Inc.	5
CSI Consolidated, LLC fka CleanServe Inc	4
Pepper-Lawson Waterworks, LLC	3
BRH-Garver Construction, L.P.	3
JERDON ENTERPRISE, L.P.	3
BL Technology, Inc.	3
John A. Walker Roofing Co., Inc.	2
P2MG, LLC	2
Chastang Enterprises, Inc.	2
Angel Brothers Enterprises, Ltd.	2
Specialized Maintenance Services, Inc.	2
CleanServe, Inc.	2
Hahn Equipment Company, Inc.	2
Inland Environments, Ltd.	2
PM Construction	2
DCE Construction, Inc.	2
Alsay Incorporated	2
SER Construction Partners LLC	2
A-1 Personnel of Houston, Inc.	2
Globe Electric Supply Company, Inc.	2
Tikon Group, Inc.	2
LEM Construction Company, Inc.	2
Horizon International Group, LLC	2
AIA General Contractors, Inc.	2
SpawGlass Civil Construction, Inc.	1
Teal Construction Company	1
Huff & Mitchell, Inc.	1
Total Contracting Limited	1
Houston Media Source	1
Jamail & Smith Construction, LP	1
Triple B Services, L.L.P.	1
Construction LTD	1
Southern Ionics, Inc.	1
Comfort Systems USA (South Central)	1
CAAN Construction Services, Inc.	1
Saber Power Services, LLC	1
Bartlett Cocke, L.P.	1
C. F. McDonald Electric, Inc.	1
THR Enterprises, Inc.	1
Traf-Tex, Inc.	1
City Supply Company	1
PELTIER BROTHERS CONSTRUCTION, LTD.	1
E. P. Brady, Ltd.	1
TRAFFIC SYSTEMS CONSTRUCTION, INC.	1
D. L. Elliott Enterprises, Inc.	1





**Top 50 HHF Vendors with Purchase Orders in FY2015**

<b>Vendor</b>	<b>Total Purchases</b>
Cpr Services And Supplies Inc	\$515,370
Bevco Company	\$218,550
Environmental Sorbents Llc	\$196,729
Globe Office Products	\$149,469
Globe Electric Company Inc	\$144,655
Macaulay Controls	\$99,636
Tlc Engineering Inc	\$98,617
The Black Sheep Agency	\$91,000
Csf Consulting Lp	\$78,126
Lorenzo Davis	\$77,562
Rdi Mechanical Inc	\$74,368
Trantex Transportation Products	\$70,226
Q Environmental Inc	\$66,214
City Supply Company	\$65,557
Industrial Tx Corp	\$65,223
Medwaste Solutions Inc	\$59,702
Elp Enterprises Inc	\$59,646
Hahn Equip Company Inc	\$55,777
Smith-Mobley, Inc.	\$53,075
Brown Sterling Builders, Inc.	\$50,054
CRITICAL INFRASTRUCTURE SOLUTIONS	\$49,850
SIERRA INFOSYS INC	\$49,600
OMEGA ENGINEERS INC	\$49,000
Huitt-Zollars Inc	\$48,125
Gilbreath Communications, Inc.	\$48,000
TAG ELECTRIC COMPANY INC	\$47,720
Houston Barricade And Supply	\$47,162
Jdc Fluid Equipment	\$45,840
Karami Plumbing And Construction Su	\$45,124
Burgoon Company	\$44,154
Central Police Supply Inc	\$42,779
THE TAGOS GROUP LLC	\$42,000
Walter P Moore & Associates	\$40,000
Datavox	\$36,788
MEDIC-CE.COM LLC	\$34,200
Enterprise Commercial Paving Inc	\$33,976
Element Solutions International	\$32,652
Pro Alliance	\$32,061
Pepper-Lawson Waterworks Llc	\$31,093
CENTRAL LANDSCAPE & MAINTENANCE	\$31,091
MUI SERVICES LLC	\$31,000
Preferred Technologies Inc	\$29,589
3Mb Interior Plus Llc	\$29,535
Una Mae Dennison	\$28,010
Kfci Inc	\$27,730
LMC CORPORTATION	\$24,997
Baylor Asset Management, Llc	\$24,073
SUPERIOR BUILDING SVCS INC	\$23,950
Cf Mcdonald Electric Inc	\$23,749
Southwest Mowers Service Center Inc	\$22,903





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